



State of Connecticut
Department of Developmental Services

DDS

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Department of Developmental Services
Testimony to the
Public Health and Human Services Committees
Re: 2009 DDS Conversion Plan

Senator Harris, Representative Ritter, Senator Doyle, Representative Walker and members of the Public Health and Human Services Committee. I am Commissioner Peter O'Meara of the Department of Developmental Services (DDS). Thank you for the opportunity to provide your committees with information related to the conversion of 17 publicly operated Community Living Arrangements (CLAs) or "group homes" to the private sector. To clarify, these 17 homes that are part of the conversion plan are NOT being closed or sold as some have reported. They will remain open and the people who live in them will NOT have to move. The private sector will be taking over the operation of these homes via a Request for Proposal (RFP) process and through contracts with DDS.

As you may know, this is not the first time that a conversion plan has been implemented during my tenure. The department successfully converted 30 group homes to the private sector after the Early Retirement Incentive Plan and layoffs were implemented in 2003. This time, the conversion of 17 homes is in direct response to the Retirement Incentive Plan (RIP) included in the April 2009 SEBAC Agreement. DDS had 395 employees participate in the RIP as of July 1, 2009 of which 162 were direct care workers.

DDS has worked hard to communicate as much information as possible to our consumers and their families and guardians as well as DDS staff, who are impacted by this conversion. (There are 93 individuals with intellectual disabilities living in the 17 conversion homes. A total of 3,763 individuals live in CLAs operated or licensed by DDS). On July 31st, I sent a letter to all legislators informing them of the conversion plan and included a copy of a fact sheet and the letter that was sent to consumers and families (a specific letter was sent to legislators with one or more of the conversion homes in their district). Each of our three regions has held meetings with families to provide information and answer questions. Meetings with impacted staff at these 17 CLAs have also taken place. We created a page on our website dedicated to the Conversion Plan. I have talked with some of the employees, consumers and family members. I have heard their concerns and I assure you that the top priority throughout this process is to maintain the well-being of our consumers.

I understand the concerns that many families have when faced with a change in how we serve and support their children. I appreciate that consumers have developed relationships with many of their caregivers over the years. However, with the departure of 162 direct care employees from our public service system,

there are staffing needs (employee vacancies) in many homes that are currently being dealt with through costly overtime payments. With the current budget situation, this is not a responsible long-term solution for providing quality care in our homes. It is important to realize that in light of the departure of more than 160 direct support employees, many consumers would be served by new staff who are unfamiliar to them even if DDS maintained all of our residential sites.

Thus, the conversion plan allows consumers to stay together in their homes and receive quality care from the private sector while public programs will be staffed consistently and appropriately without the use of costly overtime. No DDS employees will lose their jobs. Additionally, the State of Connecticut will save money when state jobs are not refilled. Not only does the state save the dollars associated with each salary but also the value of health care and pension benefits, which are long-term costs incurred by the taxpayers. Although significant funds to operate these homes will shift to the private sector, there is an anticipated net annual savings of \$5 million to the state by shrinking the state workforce and the associated infrastructure costs to state government. DDS has provided a list of employees who would be impacted by the conversion and a list of possible reassignment opportunities to the Office of Labor Relations who will be coordinating the process pursuant to the 2009 SEBAC agreement.

A significant amount of planning has gone into the conversion plan and the transition process will be carried out in a thoughtful and deliberate manner over a period of time of six to nine months. Consumers and families will be involved in the selection process of the private provider. A detailed bidding process will occur for employee reassignments. Each consumer will have an individual transition plan developed which will include the DDS team, the individual and his or her family, and the new agency team. This will include a review of the consumer's individual plan and program. A transition checklist is used to assure that all important areas are covered. Private agency staff may have the opportunity to shadow the current staff in order to learn about individuals. Clinical staff will share assessments. DDS will remain available to the new agency for follow up on issues after the transition takes place.

The question has been asked regarding why specific homes were chosen for the conversion. The conversion homes are located in a part of each region that currently has many direct care job vacancies due to the recent retirement program. This means that there will be ample job opportunities in other publicly operated programs within reasonable distance from these conversion homes for affected employees.

As of June 30, 2009, there were 188 qualified DDS private sector providers. During FY 2009, 21 new providers were added. Some provider agencies have been operating programs in Connecticut for over 40 years and others are newer to our service system having contracted with DDS within the last 5 to 15 years. Private agencies are currently operating nearly 80% of all the residential programs in DDS. Currently, of the 873 CLAs in Connecticut, 95 are operated by the public sector and 778 are operated by the private sector. To be considered for this project a provider has to be on the qualified list by mid-September and have experience managing residential services. Forty-two providers submitted Letters of Intent and the bidders' conference was well attended.

The Conversion Plan has evoked some passionate responses from some people and some statements have been made that may be inadvertently misleading. I would like to take a couple of minutes to address and clarify several misconceptions that have been recently reported through the media.

The first comment is that providers will be chosen based on the lowest bidder. However, cost is only one of many criterion that are carefully reviewed and rated by the panel made up of DDS regional staff and consumers and family members. Other areas that the panel will consider include past performance by the private agencies, as well as how they propose to support positive outcomes for the people living in the home.

While it is correct that private agencies do not pay employees at the same rate as the state (the state pay scale in Connecticut is among the highest in the country), pay rates vary among private agencies and all are well above the minimum wage level. Some private agency staff are unionized and others are not. Most private agencies offer health care and pension benefits. There have been comments made that lower pay results in poorer quality staff. This has simply not been the experience in Connecticut. Private agency staff are committed, trained, and dedicated to this work. All of our quality indicators tell us that the pay rate of staff does not impact the quality of service or diminish the level of caring and passion that people have who have chosen to work in this field. In fact, a review of licensing data over the past two years indicates that the private sector did a very good job in all areas of inspection. Similar to DDS staff, private agency staff must also undergo a criminal background check and a registry check. The private agency staff is required to be trained in topics mandated by DDS CLA licensing regulations. Private agency staff are CPR certified, certified to administer medications, trained in physical management techniques through PMT or a comparable program, first aid trained, and trained in areas specific to meet the needs of the individuals who live in the home. DDS checks on the training of private agency staff through quality assurance processes including licensing inspections and quality service reviews. Also, state of the art online training curriculum through the College of Direct Support is made available by DDS to all provider agencies.

All private CLAs will continue to be licensed and undergo regular inspections and quality reviews. This process is the same for DDS and private providers. DDS Case Managers and Quality Monitors will visit the homes as part of quality assurance. The private agency's contract with the state requires them to have policies and procedures on a broad range of topics, follow DDS policies and procedures, comply with many regulations and state statutes, report and investigate allegations of abuse or neglect, safeguard individual finances, file annual audited financial cost reports, participate in all DDS quality assurance activities, communicate frequently with the DDS region, involve consumers and families in the team process, and implement the individual plans for consumers. Basically all of the policies and safeguards our families are accustomed to now, will be in place when a private agency manages the home.

DDS uses a variety of quality measures including: mortality/morbidity; abuse/neglect; accidents/injuries; licensure status; enhanced monitoring status; family/consumer complaints; Program Integrity process and Quality Service Reviews. All of these data points as well as on-site inspection and reviews are used to monitor quality and alert us to emerging trends that may indicate sub-standard care or jeopardy. It is our opinion based on this assessment of data, that the private sector does quite well with regard to standard compliance overall.

There has been some confusion between the privatization or conversion of the 17 CLAs discussed above versus CLAs that are being closed. In addition to the 17 homes in the conversion plan, there are four homes in the North Region that are being closed. Three of the homes are closing because of maintenance issues. The CLA at 541 Liberty Highway in Putnam, which is slated for closure, is a well kept home that the department plans to use as a respite facility in lieu of the current respite program on the grounds of the John Dempsey Center in Putnam. In most of these cases, consumers will be moved into existing vacancies in the public system. A few of the families in the homes that are closing have expressed interest in using portability to transfer to a private sector CLA. All employees from these homes that are being closed will fill current vacancies in the public system. In addition to these four homes in the North Region, there is an additional proposed closure in the South Region due to census reduction. To reiterate, home closure does not equate to a removal of services. Consumers still receive services and supports in another location. The process of public home closures is a process that has occurred gradually over time in response to a combination of issues including census reduction in specific settings, facility issues, availability of staffing and financial resources. It is expected that over time, additional closures will be recognized. Consumers will continue to receive services and supports and employees will fill existing vacancies in the public system.

There have also been comments made that privatization or closure of group homes negatively impacts the Waiting List for residential services. As of August 19, 2009, there were 35 individuals on the Emergency Waiting List for residential services (*14 of these individuals currently have residential services but require additional support or a change in the type of support they receive, 21 live in their own or family home with no supports currently.*) To be categorized as an Emergency means that placement is needed imminently. There were 811 individuals on the Priority 1 list. (*350 of these individuals currently have residential services but require additional support or a change in the type of support they receive, 461 live in their own or family home with no supports currently.*) To be categorized as a Priority 1 means that placement is needed within one year. In the last five years, during the course of the Waiting List Initiative, almost all those individuals placed from the Emergency and Priority 1 Waiting List were served in the private sector, not the public sector. In FY09, there were 79 individuals on the Emergency List who were supported. All of them were served in the private sector. DDS has far exceeded its commitment in the Settlement Agreement (ARC-CT v. O'Meara/Wilson Coker), and was able to remove far more than the 150 individuals from the Waiting List in each of the five years of the Settlement Agreement. The total number of people taken off the Waiting List during the five year initiative was 1,562. This number includes 1,007 individuals from home who had no residential services. With the Waiting List Initiative having ended, and no new funds being allocated for Fiscal Years 2010 and 2011, all residential placements from the Waiting List will be through funded vacancies that occur in the system. Neither privatization nor closure of homes will have an impact on the availability of funds available to serve individuals on the Waiting List. The conversion project allows DDS to maintain the residential capacity offered by these 17 homes.

As mentioned, the Department appreciates the concerns that are raised anytime that there is a change in services and supports. However, challenging economic times require that we work towards solutions so that DDS is able to continue to serve as many individuals as possible within existing resources. Connecticut has a rich history of service through our partnership with the private provider community. The public sector continues to provide an important role in many areas of meeting the DDS mission through its services and supports.

I commit to you, as well as to the consumers, families, DDS staff and private provider agencies, that we will strive to make this process as smooth a transition as possible for all concerned. I believe that we all have the same goal, to provide quality services for individuals with intellectual disabilities and their families. And as a publicly financed service system, we must provide these services in the most fiscally responsible manner possible, especially now, when faced with the current economic challenges. Our intent is never to "balance the budget on the backs of the disabled" as it has been characterized by some. The conversion project is one that allows DDS services to continue rather than be eliminated by reducing costs in a planned and beneficial manner. While we are sympathetic to the impact this change will have on consumers, families and employees it allows other important services to families with children living at home to be maintained such as respite and in-home family supports services. If DDS could not undertake the conversion project and still had to reduce its costs, these important family support services would be endangered. At a time of no increases in waiting list funding, these services will prove to be especially crucial to hundreds of families served by DDS.

Thank you for your time this morning and I look forward to hearing the rest of the discussion today, answering questions you may have and hearing from the public this afternoon. My staff and I will certainly consider any suggestions that are made to help make this process a better one.